

**Village of Minden City
Minden City, MI**

Sanilac County

**FINANCIAL REPORT
February 28, 2005**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Village of Minden City	County Sanilac
Audit Date 2/28/05	Opinion Date 8/9/05	Date Accountant Report Submitted to State: 8/9/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

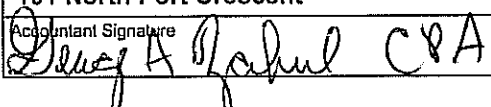
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).	✓		
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) George A. Zahul CPA PC			
Street Address 101 North Port Crescent	City Bad Axe	State Mi	ZIP 48413
Accountant Signature 		Date 8/9/05	

George Zahul, CPA, PC

101 N Port Crescent St
Bad Axe, MI 48413

August 8, 2005

To the Village Board
Village of Minden City
Minden City, MI 48456

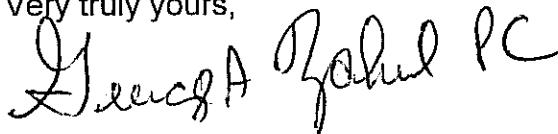
The following comments related to situations that came to my attention during the course of my recent examination of the Village of Minden City's financial statements as of and for the year ended February 28, 2005, and are submitted for your evaluation and consideration. I would like to emphasize that, since my examination was conducted for the purpose of expressing an opinion on the previously referred to financial statements, these comments are not necessarily all inclusive.

1. The Village over-expended in the General Fund in comparison to the budget. This excess of expenditure over budget amount is in violation of P.A. 621. The Board should avoid such violations by periodically reviewing actual expenditures and revenues as compared to budget amounts.

If you would need assistance in implementing the above, I would be happy to assist you.

I want to take this opportunity to thank the Board for selecting me to do your audit, and I want to thank the Village Officials for their help and assistance during the audit.

Very truly yours,

A handwritten signature in cursive script that reads "George A. Zahul PC".

George A. Zahul, PC
Certified Public Accountant

Village of Minden City

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Village of Minden City

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Independent Auditor's Report

To the Village Board
Village of Minden City
Minden City, MI 48456

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Minden City's, as of and for the year ended February 28, 2005, which collectively comprise the Villages basic financial statements as listed in the table of contents. These financial statements are the responsibility of Village of Minden City's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Minden City as of February 28, 2005, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 8, 2005, on my consideration of the Village of Minden City's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Minden City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

 George A. Zahul CPA, PC

George Zahul, CPA, PC
August 8, 2005

George Zahul, CPA, PC
101 N Port Crescent St
Bad Axe, MI 48413
989-269-9966

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Village Council
Village of Minden City
Minden City, MI 48456

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Minden City as of and for the year ended February 28, 2005, which collectively comprise Village of Minden City's basic financial statements and have issued my report thereon dated August 8, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

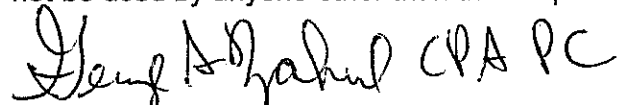
Compliance

As part of obtaining reasonable assurance about whether the Village of Minden City's general purpose financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Village of Minden City, in a separate letter dated August 8, 2005.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Minden City's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Village Council, the State of Michigan, and the United States Department of Agriculture Rural Development and is not intended to be and should not be used by anyone other than those specified parties.



George Zahul, CPA, PC
August 8, 2005

Village of Minden City Management's Discussion and Analysis

This section of the Villages annual financial report presents our discussion and analysis of the Villages financial performance during the fiscal year that ended on February 28, 2005. Please read it in conjunction with the villages financial statements, which immediately follow this section.

Financial Highlights

The 2004/05 fiscal years resulted in a Fund Balance in the General Fund of \$91,737.55. This was an expected result for the Village. The Fund Balance was slightly higher than was originally budgeted.

In total, Village revenues exceeded \$375,439 for fiscal year ended February 28, 2005. Spending over the same time period was \$363,591. In both cases that was an increase of approximately \$56,000 over fiscal 2004 for revenues and an increase of \$47,916.00 for spending.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

The first two statements are district-wide financial statements that provide both short-term and long-term information about the Villages overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Villages government, reporting the Villages operations in more detail than the district-wide statements.

Government-Wide Statements

The Government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statements of net assets include all of the Villages assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Villages net assets and how they have changed. Net assets – the difference between the Villages assets and liabilities – are one way to measure the Villages financial health or position.

Village of Minden City Management's Discussion and Analysis

The government-wide financial statements of the Village are divided into categories:

Governmental Activities – Most of the Villages basic services are included here, such as public safety, public works, and general administration. Property taxes, state-shared revenue, and charges for services provided most of the funding.

Business-type Activities – The Village operates a water system and a sewer system and charges fees to customers to help cover the costs of certain services it provides. The Villages sewer and water system is treated as a business-type activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the Villages funds, focusing on its most significant or "major" funds – not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending for particular purposes:

Some funds are required by State law and by bond covenants.

The Village establishes other funds to control and manage money for particular purposes.

The Village has two types of funds:

Governmental Funds – Most of the Villages basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Villages programs.

Proprietary Funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

Village of Minden City Management's Discussion and Analysis

Financial Analysis of the Village as a Whole

Net Assets

Village net assets increased during the fiscal 2005. Depreciation of Village assets, more than \$20,304.00, as opposed to new purchases of \$141,374.45 also had an impact.

Village of Minden City

	<u>2005</u>
Current and other Assets	\$ 664,635
Capital Assets, Less Accumulated Depreciation	<u>2,146,359</u>
Total Assets	\$ 2,810,994
Current Liabilities	49,440
Other Liabilities	<u>717,758</u>
Total Liabilities	\$ 767,198
<u>Net Assets:</u>	
Invested in Capital Assets net of Related Debt	\$ 266,529
Restricted	183,090
Unrestricted	378,667
Other	<u>1,215,510</u>
Total net Assets (deficit)	\$ 2,043,796

Changes in Village of Minden City Net Assets

	<u>2004</u>
<u>Revenues</u>	
Charges for Services	\$ 154,311
<u>General Revenues</u>	
Property Taxes	60,988
State Revenue	27,141
Other	<u>14,341</u>
Total Revenues	\$ 256,780
<u>Expenses</u>	
General Government	\$ 45,029
Public Services	67,930
Sanitation, Water, and Sewer	56,573
Roads	23,990
Interest and Other	37,969
<u>Business Type Activities</u>	
Unallocated Depreciation	<u>20,304</u>
Total Expenses	<u>\$ 251,795</u>
Increase in Net Assets	<u>\$ 4,985</u>

Village of Minden City Management's Discussion and Analysis

Governmental Activities

Revenues for governmental activities totaled \$375,439 in 2005. A total of \$72,438 was in the form of property tax collections. State-shared revenues continue to be of concern. While it provided \$58,053, we are uncertain what will happen in 2005 given the State's financial difficulties. Charges for services, primarily for sewer, water, and refuse operations, generated \$111,373.

Financial Analysis of the Villages Funds & Budgets

The General Fund ended 2005 with a fund balance of \$91,737. Several factors affected operating results. Tax collections were \$72,438 for 2005. Additionally, other revenue was \$303,001 in 2005. Total revenues in the General Fund of \$118,986 exceeded expenditures of \$103,178 by \$15,808 and increased fund balance by the same amount.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent expenditures from exceeding the budget. With that in mind, the General Fund expenditures were 96 percent of budget. No major General Fund areas were significantly under or over budget.

Capital Assets and Debt

The Village made capital purchases during the year of \$141,374.45.

Factors Bearing on the Villages Future

At the time these financial statements were prepared and audited, the Village was aware of several areas that could have a major impact on the 2004-2005 fiscal year, and subsequent years.

Village summer 2005 taxes have close to the same millage rate as last year. Most of the money collected goes for the operating expenses for the general fund.

The township fire millage for the fire department amounts to around \$28,000.00 annually. Due to purchase of a new fire truck, the budget is tight. Payments are for ten (10) years.

Water & Sewer rates will be going up the latter part of the year. New water rates are necessary due to the state mandatory compliance to reduce or eliminate the arsenic in our water. More specifics later. Increases in sewer rates are needed to keep up with the increasing maintenance and operating expenses.

Village of Minden City Management's Discussion and Analysis

Contacting the Villages Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Villages finances and to demonstrate the Villages accountability for the money it receives. If you have questions about this report or need additional information, contact in writing the Business Office, Village of Minden City, 1585 1st Street, Minden City, MI 48456.

Village of Minden City
Statement of Net Assets
February 28, 2005

	<u>Primary Government</u>		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and Investments	\$ 181,636.23	\$ 361,735.34	\$ 543,371.57
Accounts Receivable	3,437.22	81,623.13	85,060.35
Prepaid Insurance	21,161.40	7,302.36	28,463.76
Due From Other Governmental Units	0.00	7,739.41	7,739.41
Total Current Assets	<u>206,234.85</u>	<u>458,400.24</u>	<u>664,635.09</u>
Property and Equipment			
Property and Equipment	1,067,134.26	2,281,037.15	3,348,171.41
Less Accumulated Depreciation	(730,909.00)	(470,903.00)	(1,201,812.00)
Net Property and Equipment	<u>336,225.26</u>	<u>1,810,134.15</u>	<u>2,146,359.41</u>
Total Assets	542,460.11	2,268,534.39	2,810,994.50
Liabilities and Net Assets			
Current Liabilities			
Accrued Payroll and Taxes	3,123.00	0.00	3,123.00
Due To Other Governmental Units	7,739.41	0.00	7,739.41
Current Portion of Bonds and Notes Payable	10,000.00	19,000.00	29,000.00
Accrued Interest	637.50	8,939.75	9,577.25
Total Current Liabilities	<u>21,499.91</u>	<u>27,939.75</u>	<u>49,439.66</u>
Long - Term Liabilities			
Deferred Revenue	0.00	59,758.42	59,758.42
Bonds and Notes Payable	80,000.00	578,000.00	658,000.00
Total Long - Term Liabilities	<u>80,000.00</u>	<u>637,758.42</u>	<u>717,758.42</u>
Total Liabilities	<u>101,499.91</u>	<u>665,698.17</u>	<u>767,198.08</u>
Net Assets			
Invested in capital assets net of related debt	266,529.26	0.00	266,529.26
Restricted	0.00	183,089.75	183,089.75
Unrestricted	174,430.94	204,236.47	378,667.41
Depr Transferred from Operations	0.00	(314,490.00)	(314,490.00)
Contributions in Aid	0.00	1,530,000.00	1,530,000.00
Total Net Assets	<u>\$ 440,960.20</u>	<u>\$ 1,602,836.22</u>	<u>\$ 2,043,796.42</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Statement Of Activities
For the Year Ended February 28, 2005

Governmental Activities

<u>Funtions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Program Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Assets</u>
Governmental Activities				
General Government	\$ 45,029.24	\$ 0.00	\$ 0.00	\$ (45,029.24)
Public Safety	23,252.55	600.00	0.00	(22,652.55)
Public Works	44,677.15	0.00	0.00	(44,677.15)
Sanitation	11,870.91	16,668.11	0.00	4,797.20
Water Operations	17,307.11	34,551.91	0.00	17,244.80
Roads	23,990.34	42,338.23	0.00	18,347.89
Sewer Operations	27,395.19	60,152.66	0.00	32,757.47
Interest on Bonds and Notes	37,932.75	0.00	0.00	(37,932.75)
Unallocated Depreciation	20,304.00	0.00	0.00	(20,304.00)
Miscellaneous	36.70	0.00	0.00	(36.70)
Total Governmental Activities	<u>\$ 251,795.94</u>	<u>\$ 154,310.91</u>	<u>\$ 0.00</u>	<u>(97,485.03)</u>
General Revenues				
Property Taxes General				60,988.38
State Revenue Sharing				27,141.00
Investment Earnings				3,691.20
Other				<u>10,649.56</u>
Total General Revenues				<u>102,470.14</u>
Change in Net Assets (Deficit)				4,985.11
Net Assets Beginning of Year				<u>2,038,811.31</u>
Net Assets End of Year				<u>\$ 2,043,796.42</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Combined Balance Sheet
All Fund Types and Account Groups
February 28, 2005

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>		<u>Total</u>
Assets	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>(Memorandum Only)</u>
Cash	\$ 62,554.27	\$ 50,540.52	\$ 11,937.76	\$ 13,451.73	\$ 138,484.28
Investments	25,973.49	42,031.93	80,353.36	72,902.74	221,261.52
Sewer and Water Receivables	0.00	0.00	21,864.71	0.00	21,864.71
Accounts Receivable-Hookup	0.00	0.00	59,758.42	0.00	59,758.42
Taxes Receivable	3,437.22	0.00	0.00	0.00	3,437.22
Prepaid Insurance	11,178.96	9,982.44	7,302.36	0.00	28,463.76
Due from Other Fund	536.02	1,080.00	7,739.41	0.00	9,355.43
Building and Equipment-net	0.00	0.00	1,810,134.15	0.00	1,810,134.15
Restricted Assets-Cash	0.00	0.00	183,089.75	0.00	183,089.75
Total Assets	<u>\$103,679.96</u>	<u>\$103,634.89</u>	<u>\$2,182,179.92</u>	<u>\$ 86,354.47</u>	<u>\$2,475,849.24</u>
Liabilities and Fund Equity					
Current Liabilities					
Salaries and Fringes Payable	\$ 3,123.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,123.00
Due to Other Funds	8,819.41	0.00	0.00	0.00	8,819.41
Revenue Bonds Payable	0.00	0.00	19,000.00	0.00	19,000.00
Long Term Liabilities					
Revenue Bonds Payable	0.00	0.00	578,000.00	0.00	578,000.00
Deferred Revenue	0.00	0.00	59,758.42	0.00	59,758.42
Total Liabilities	<u>11,942.41</u>	<u>0.00</u>	<u>656,758.42</u>	<u>0.00</u>	<u>668,700.83</u>
Fund Equity					
Contributed Capital Federal	0.00	0.00	1,530,000.00	0.00	1,530,000.00
Depr Transferred from Operations	0.00	0.00	(314,490.00)	0.00	(314,490.00)
Retained Earnings Unreserved	0.00	0.00	126,821.75	86,354.47	213,176.22
Retained Earnings Reserved	0.00	0.00	183,089.75	0.00	183,089.75
Fund Balance Unreserved	91,737.55	103,634.89	0.00	0.00	195,372.44
Total Fund Equity	<u>91,737.55</u>	<u>103,634.89</u>	<u>1,525,421.50</u>	<u>86,354.47</u>	<u>1,807,148.41</u>
Total Liabilities and Fund Equity	<u>\$103,679.96</u>	<u>\$103,634.89</u>	<u>\$2,182,179.92</u>	<u>\$ 86,354.47</u>	<u>\$2,475,849.24</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Combined Balance Sheet
Proprietary Fund Types
February 28, 2005

	<u>Enterprise Funds</u>		<u>Internal Service Funds</u>		
	<u>Water</u>	<u>Sewer Operating</u>	<u>Fireman's Sinking</u>	<u>Public Improvement</u>	<u>Total</u>
Assets					
Current Assets					
Cash in Bank	\$ 4,406.47	\$ 7,531.29	\$ 5,016.37	\$ 8,435.36	\$ 25,389.49
Investments	0.00	80,353.36	23,748.56	49,154.18	153,256.10
Billing Receivable	7,970.53	13,894.18	0.00	0.00	21,864.71
Accounts Receivable	0.00	59,758.42	0.00	0.00	59,758.42
Restricted Assets-Cash	69,998.64	113,091.11	0.00	0.00	183,089.75
Prepaid Insurance	1,907.10	5,395.26	0.00	0.00	7,302.36
Due from General Fund	1,283.41	6,456.00	0.00	0.00	7,739.41
Total Current Assets	<u>85,566.15</u>	<u>286,479.62</u>	<u>28,764.93</u>	<u>57,589.54</u>	<u>458,400.24</u>
Property and Equipment					
Lagoons and Collection Systems	0.00	1,977,355.95	0.00	0.00	1,977,355.95
Mains and Hydrants	303,681.20	0.00	0.00	0.00	303,681.20
Less-Accumulated Depreciation	(132,461.00)	(338,442.00)	0.00	0.00	(470,903.00)
Total Property and Equipment	<u>171,220.20</u>	<u>1,638,913.95</u>	<u>0.00</u>	<u>0.00</u>	<u>1,810,134.15</u>
Total Assets	<u>\$ 256,786.35</u>	<u>\$ 1,925,393.57</u>	<u>\$ 28,764.93</u>	<u>\$ 57,589.54</u>	<u>\$ 2,268,534.39</u>
Liabilities and Fund Equity					
Current Liabilities					
Current Portion Bonds Payable	\$ 12,000.00	\$ 7,000.00	\$ 0.00	\$ 0.00	\$ 19,000.00
Long Term Liabilities					
Revenue Bonds Payable	49,000.00	529,000.00	0.00	0.00	578,000.00
Deferred Revenue	0.00	59,758.42	0.00	0.00	59,758.42
Total Liabilities	<u>\$ 61,000.00</u>	<u>\$ 595,758.42</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 656,758.42</u>
Fund Equity					
Contributed Capital Federal	\$ 130,000.00	\$ 1,400,000.00	\$ 0.00	\$ 0.00	\$ 1,530,000.00
Depr Transferred from Operations	(58,222.00)	(256,268.00)	0.00	0.00	(314,490.00)
Retained Earnings	124,008.35	185,903.15	28,764.93	57,589.54	396,265.97
Total Fund Equity	<u>195,786.35</u>	<u>1,329,635.15</u>	<u>28,764.93</u>	<u>57,589.54</u>	<u>1,611,775.97</u>
Total Liabilities and Fund Equity	<u>\$ 256,786.35</u>	<u>\$ 1,925,393.57</u>	<u>\$ 28,764.93</u>	<u>\$ 57,589.54</u>	<u>\$ 2,268,534.39</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Combined Statement of Revenue, Expenditures and
Change in Fund Balance - All Government Fund Types
For the Year Ended February 28, 2005

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Memorandum</u>
		<u>Revenue</u>	<u>Only</u>
Revenues			
Property Taxes	\$ 35,281.00	\$ 37,156.57	\$ 72,437.57
State Sources and County Sources	27,164.10	30,889.04	58,053.14
Intergovernmental	28,657.56	0.00	28,657.56
Garbage Collections	16,668.11	0.00	16,668.11
Loan Proceeds	0.00	90,000.00	90,000.00
Interest	670.34	646.38	1,316.72
Miscellaneous Revenue	7,544.57	1,531.89	9,076.46
Total Revenues	<u>115,985.68</u>	<u>160,223.88</u>	<u>276,209.56</u>
Expenditures			
General Government	56,900.15	0.00	56,900.15
Public Safety	0.00	23,408.55	23,408.55
Public Works	44,677.15	40,922.33	85,599.48
Capital Outlay	0.00	141,374.45	141,374.45
Total Expenditures	<u>101,577.30</u>	<u>205,705.33</u>	<u>307,282.63</u>
Excess of Revenues over Expenditures	14,408.38	(45,481.45)	(31,073.07)
Other Financing Sources (Uses)			
Operating Transfers in	3,000.00	51,600.00	54,600.00
Operating Transfers out	(1,600.00)	(17,314.17)	(18,914.17)
Total Other Financing Sources (Uses)	1,400.00	34,285.83	35,685.83
Excess of Revenues and Other Sources			
Over (Under) Expenditures and Other Uses	<u>15,808.38</u>	<u>(11,195.62)</u>	<u>4,612.76</u>
Fund Balance Beginning of Year	<u>75,929.17</u>	<u>114,830.51</u>	<u>190,759.68</u>
Fund Balance End of Year	<u>\$ 91,737.55</u>	<u>\$ 103,634.89</u>	<u>\$ 195,372.44</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Statement of Revenue Expense and Change in Retained
Earnings - Budget and Actual
Proprietary Fund Type
For The Year Ended February 28, 2005

<u>Sewer Operating Fund</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Operating Revenues			
Sewer Fees	48,000.00	57,534.88	9,534.88
Other Income	2,500.00	2,617.78	117.78
Total Operating Revenues	<u>50,500.00</u>	<u>60,152.66</u>	<u>9,652.66</u>
Operating Expenses			
Unemployment Tax Expense	360.00	358.69	1.31
Office Supplies	390.00	388.50	1.50
Utilities Expense	1,290.00	1,282.91	7.09
Professional Fees	1,410.00	1,410.00	0.00
Contract Labor Expense	3,480.00	3,480.00	0.00
PVC Supplies Expense	1,565.00	1,560.59	4.41
Administrative & Recording Wages	1,300.00	1,300.00	0.00
Labor Reimbursement Expense	5,145.00	5,142.00	3.00
Equipment Reimbursement Expense	3,275.00	3,275.00	0.00
Insurance Liability	7,095.00	7,262.27	(167.27)
Repair & Maintenance	940.00	940.00	0.00
Miscellaneous	2,775.00	2,770.23	4.77
Depreciation and Amortization	67,855.00	68,607.00	(752.00)
Total Operating Expenses	<u>96,880.00</u>	<u>97,777.19</u>	<u>(897.19)</u>
Operating Income (Loss)	<u>(46,380.00)</u>	<u>(37,624.53)</u>	<u>8,755.47</u>
Other Income (Expenses)			
Interest Revenue	1,400.00	1,560.71	160.71
Interest Expense	(24,255.00)	(24,255.00)	0.00
Total Other Income (Expenses)	<u>(22,855.00)</u>	<u>(22,694.29)</u>	<u>160.71</u>
Net Income (loss) From Operations	<u>\$ (69,235.00)</u>	<u>(60,318.82)</u>	<u>8,916.18</u>
Add back depr on assets acquired with contributed capital		<u>61,965.00</u>	
Increase (Decrease) in Retained Earnings		1,646.18	
Retained Earnings Beginning of Year		<u>184,256.97</u>	
Retained Earnings End of Year		<u>\$ 185,903.15</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Statement of Revenue Expense and Change in Retained
Earnings - Budget and Actual
Proprietary Fund Type
For the Year Ended February 28, 2005

Water Fund

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Operating Revenues			
Water Fees	\$ 32,000.00	\$ 34,322.94	\$ 2,322.94
Miscellaneous Income	100.00	228.97	128.97
Total Operating Revenues	<u>32,100.00</u>	<u>34,551.91</u>	<u>2,451.91</u>
Operating Expenses			
Legal & Professional	1,200.00	1,160.00	40.00
Operating Supplies	1,470.00	1,417.50	52.50
Annual Water Fees	650.00	641.67	8.33
Milage Expense	100.00	0.00	100.00
Administration and Recordkeeping	1,500.00	1,288.74	211.26
Contract Services	100.00	0.00	100.00
Insurance & Bonds	2,500.00	2,362.79	137.21
Insurance Workman's Comp	200.00	173.20	26.80
Utilities	1,900.00	1,831.97	68.03
Repairs and Maintenance	5,500.00	5,369.49	130.51
Equipment Usage	1,150.00	1,104.27	45.73
Labor Reimbursement	2,100.00	2,085.00	15.00
Unemployment Tax Expense	400.00	358.69	41.31
Miscellaneous Expense	575.00	561.06	13.94
Depreciation Expense	6,200.00	5,090.00	1,110.00
Total Operating Expenses	<u>25,545.00</u>	<u>23,444.38</u>	<u>2,100.62</u>
Operating Income (Loss)	<u>6,555.00</u>	<u>11,107.53</u>	<u>4,552.53</u>
Other Income (Expense)			
Interest Income	200.00	413.14	213.14
Interest Expense	(6,300.00)	(4,100.50)	2,199.50
Total Other Income (Expense)	<u>(6,100.00)</u>	<u>(3,687.36)</u>	<u>2,412.64</u>
Net Income (Loss)	<u>\$ 455.00</u>	<u>7,420.17</u>	<u>\$ 6,965.17</u>
Add back depr on assets acquired with contributed capital		<u>2,948.00</u>	
Increase (Decrease) in Retained Earnings		10,368.17	
Retained Earnings Beginning of Year		<u>113,640.18</u>	
Retained Earnings End of Year		<u>\$ 124,008.35</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Statement of Revenue Expense and Change in Retained
Earnings - Budget and Actual
Proprietary Fund Type
For the Year Ended February 28, 2005

Internal Service Funds

	<u>Fireman's Sinking Fund</u>			<u>Public Improvement Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Fire Fee Income	\$ 600.00	\$ 600.00	\$ 0.00			
Miscellaneous Income	1,500.00	1,550.00	50.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Income	200.00	331.69	131.69	50.00	68.94	18.94
Total Revenues	2,300.00	2,481.69	181.69	50.00	68.94	18.94
Expenditures						
Income (Loss) Before Transfers	2,300.00	2,481.69	181.69	50.00	68.94	18.94
Other Financing Sources (Uses)						
Operating Transfer In	19,000.00	17,314.17	(1,685.83)	0.00	0.00	0.00
Operating Transfers Out	(50,000.00)	(50,000.00)	0.00	(3,000.00)	(3,000.00)	0.00
Total Other Financing Sources (Uses)	(31,000.00)	(32,685.83)	(1,685.83)	0.00	(3,000.00)	3,000.00
Net Income (Loss)	<u>\$ (28,700.00)</u>	<u>(30,204.14)</u>	<u>\$ (1,504.14)</u>	<u>\$ 50.00</u>	<u>(2,931.06)</u>	<u>\$ (2,981.06)</u>
Retained Earnings Beginning of Year		<u>58,969.07</u>			<u>60,520.60</u>	
Retained Earnings End of Year		<u>\$ 28,764.93</u>			<u>\$ 57,589.54</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Reconciliation of Fund Balances of Government Funds
to Net Assets of Government Activities
For the Year Ended February 28, 2005

Fund Balances Total Governmental Funds	\$ 1,807,148.41
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Amounts reported for governmental activities in the statement of activities are different because

Capital assets used in governmental activities are not financial resources expenditures in the year incurred and are not reported in the funds

Property and Equipment	1,067,134.26
Less Accumulated Depreciation	(730,909.00)

Accrued Interest on debt and notes payable are not recorded in governmental funds until it is paid

Accrued Interest Payable	(9,577.25)
Notes Payable	<u>(90,000.00)</u>

Net Assets of Governmental Activities	<u>\$ 2,043,796.42</u>
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Village of Minden City
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended February 28, 2005

Net Change in Fund Balances Total Governmental Funds \$ (16,508.09)

Amounts reported for governmental activities in the statement of activities
are different because

Governmental funds report capital outlays as expenditures in the year incurred
and depreciation is recored for assets in the statement of activities

Depreciation Expense	(20,304.00)
Capital Outlay	141,374.45

Accrued Interest on long-term debt is recorded in the statement of activities when
incurred and it is not recorded in governmental funds until it is paid

Accrued Interest	(9,577.25)
Other	0.00

Proceeds and repayments of principal on long-term debt are revenues and
expenditures in the government funds, but not in the statement of activities

Proceeds from new Debt	(90,000.00)
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Change in Net Assets of Governmental Activities	\$ 4,985.11
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Village of Minden City
Combined Statement of Cash Flow
Proprietary Fund Types
For the Year Ended February 28, 2005

	<u>Water</u>	<u>Sewer Operating</u>	<u>Fireman's Sinking</u>	<u>Public Improvement</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 11,107.53	\$ (39,981.11)	\$ 2,150.00	\$ 0.00	\$ (26,723.58)
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities					
Depreciation	5,090.00	68,607.00	0.00	0.00	73,697.00
(Increase) Decrease in Assets					
Accounts Receivable	(740.72)	(7,561.60)	0.00	0.00	(8,302.32)
Prepaid Insurance	(82.21)	172.07	0.00	0.00	89.86
Increase (Decrease) in Liabilities					
Accounts Payable and Other Current Liabilities	1,000.00	1,000.00	0.00	0.00	2,000.00
Deferred Revenue	0.00	(2,356.58)	0.00	0.00	(2,356.58)
Total Adjustments	<u>5,267.07</u>	<u>59,860.89</u>	<u>0.00</u>	<u>0.00</u>	<u>65,127.96</u>
Net Cash Provided by Operating Activities	<u>16,374.60</u>	<u>19,879.78</u>	<u>2,150.00</u>	<u>0.00</u>	<u>38,404.38</u>
Cash Flows from Capital and Related Financing Activities:					
Principal Payment on Bond	(12,000.00)	(7,000.00)	0.00	0.00	(19,000.00)
Interest Paid on Bonds	(4,100.50)	(24,255.00)	0.00	0.00	(28,355.50)
Transfer from Other Funds	0.00	0.00	17,314.17	0.00	17,314.17
Transfer to Other Funds	0.00	0.00	(50,000.00)	(3,000.00)	(53,000.00)
Net Cash Used from Capital and Related Financing	<u>(16,100.50)</u>	<u>(31,255.00)</u>	<u>(32,685.83)</u>	<u>(3,000.00)</u>	<u>(83,041.33)</u>
Cash Flows from Investing Activities					
Interest earned on cash	413.14	1,560.71	331.69	68.94	2,374.48
Net Increase (Decrease) in Cash	687.24	(9,814.51)	(30,204.14)	(2,931.06)	(42,262.47)
Cash at Beginning of Year	<u>73,817.87</u>	<u>208,333.69</u>	<u>58,969.07</u>	<u>60,520.60</u>	<u>401,641.23</u>
Cash at End of Year	<u>\$ 74,505.11</u>	<u>\$ 198,519.18</u>	<u>\$ 28,764.93</u>	<u>\$ 57,589.54</u>	<u>\$ 359,378.76</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Notes to Financial Statements
February 28, 2005

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Local Governmental Unit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Local Governmental Unit:

A. Reporting Entity

The Local Governmental Unit is governed by an elected council (Board). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non fiduciary activities of the primary government and its component units. For the most part, the effect of inter fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the government's expendable financial resources and the related current liabilities are accounted for through governmental funds.

The Government reports the following major governmental fund:

The general fund is the Government's primary operating fund. It accounts for all financial resources of the Government, except those required to be accounted for in another fund.

Village of Minden City
Notes to Financial Statements
February 28, 2005

Other Non-Major Funds

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The Government accounts for its major and local street activities in the special revenue funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes recognized as revenue in the year for which they are levied. Grants and similar items are recognizes as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter fund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities

Village of Minden City
Notes to Financial Statements
February 28, 2005

Proprietary funds distinguish operating revenue and expenses from non operating items. Operating revenue and expenses generally result from providing services and producing and delivering foods in connection with and proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current cost (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non operating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payable's

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect cost applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Local Unit of Government's water and sewer lines.

Village of Minden City
Notes to Financial Statements
February 28, 2005

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$xxx of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment is depreciated using the straight-line method over its' estimated useful life.

Compensated Absences (Vacation and Sick Leave)

It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Village of Minden City
Notes to Financial Statements
February 28, 2005

Comparative Data/Reclassifications

Comparative total data for the prior year has not been presented in the fund financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for all Government Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Government to have its budget in place by the beginning of its fiscal year. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits governments to amend their budgets during the year. During the year, the budget was amended in a permissible manner. There were no significant amendments during the year.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Government incurred expenditures in certain budgeted funds which were in excess of the amounts budgeted, as shown in the statements of Actual vs Budget.

Note 3 - Deposits and Investments

Deposits

The Villages cash accounts consist of various interest bearing checking and savings accounts. At year-end, the carrying amount of the Villages deposits was \$163,873.77 and the bank balance was \$165,878.77.

Village of Minden City
Notes to Financial Statements
February 28, 2005

Investments

State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, high grade commercial paper, repurchased obligations of the U.S. government and U.S. agencies, banker's acceptances of U.S. banks and mutual funds comprises of the above authorized investments. As of February 28, 2005, the Village investments consisted of certificates of deposit and Money Market Funds which the carrying amount and the bank balance was \$374,517.62.

The total Village cash and investments amounted to \$538,391.39 as of February 28, 2005 and \$263,000.00 was covered by Federal Depository Insurance.

Note 4 - Proprietary Fund Fixed Assets

Additions to the utility plant are recorded at cost or, if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Sewer Building and Lines	50 years
Buildings	15-30 years
Equipment	10-20 years
Office Equipment	5 years

Following is a summary of fixed assets recorded in the Sewer Fund as of February 28, 2005

	<u>Water</u>	<u>Sewer</u>
Land	\$ 2,000	\$ 0
Lagoon	0	624,958
Collection Systems and Costs	298,000	1,315,506
Equipment	3,682	18,922
Capitalized Interest	<u>1,399</u>	<u>17,970</u>
	303,382	1,977,356
Less: Accumulated Depreciation	<u>(132,461)</u>	<u>(338,442)</u>
Net Fixed Assets	\$ 171,221	1,638,914

Village of Minden City
Notes to Financial Statements
February 28, 2005

Note 5 - Employee Retirement and Benefit Systems

The Village of Minden City does not provide an employee Retirement and Benefit System.

Note 6 - Transfers

The General Fund transferred \$1,600.00 to the Fire Fund.

The Fire Fund transferred \$17,314.17 to the Fireman's Sinking Fund.

The Fireman's Sinking Fund transferred \$50,000.00 to the Fire Fund.

The Public Improvement Fund transferred \$1,600.00 to the General Fund.

Note 7 - Contingent Liabilities

Contingent Liability - Unemployment Compensation Costs

The Village has elected to be treated as a reimbursing employer for unemployment compensation purposes. Any unemployment benefits paid to Village employees by the Michigan unemployment fund must be reimbursed by the Village on a dollar for dollar basis. The contingent liability for unemployment benefits is not recognized in the accompanying financial statements. The expense is recognized at the time the Village becomes liable to the State of Michigan for unemployment benefits paid.

Note 8 - Changes in Long-Term Debt - Sewer and Water Funds

The Village sewer and water systems encompasses all of the Village of Minden City. Financing of construction was accomplished through Sewer System Revenue Bonds, and Water Revenue Bonds authorized pursuant to Act 94, Public Acts of Michigan, 1933, as amended, issued under approval of the Department of Treasury, State of Michigan.

The following is a summary of bond transactions for the year ended February 28, 2005:

	Balance March 1, <u>2004</u>	<u>Additions</u>	<u>Deductions</u>	Balance February 28, <u>2005</u>
System Revenue Bonds	\$ <u>542,000</u>	\$ <u>-</u>	\$ <u>6,000</u>	\$ <u>536,000</u>
Water System Revenue Bonds	\$ <u>72,000</u>	\$ <u>-</u>	\$ <u>11,000</u>	\$ <u>61,000</u>

Village of Minden City
Notes to Financial Statements
February 28, 2005

Sewer and Water System Revenue Bonds payable as of February 28, 2005 are comprised of the following:

Sewer System Revenue Bonds due in annual principal installments ranging from \$6,000 to \$28,000 through November 1, 2039, plus interest at the rate of 4.50%, payable semi-annually on May 1 and November 1. \$ 536,000

Water System Revenue Bonds due in annual principal installments ranging from \$5,000 to \$7,000 through April 1, 2009, plus interest at the rate of 5.90%, payable semi-annually on June 1 and December 1. \$ 61,000

The annual requirements to amortize the Sewer System Revenue Bonds outstanding as of February 28, 2005 including interest of \$545,546 are as follows:

	<u>Water</u>	<u>Sewer</u>
2006	\$ 15,422.00	\$ 31,120.00
2007	14,714.00	30,806.00
2008	14,006.00	31,176.00
2009	13,298.00	30,816.00
2010	13,590.00	30,456.00
Thereafter	<u>0.00</u>	<u>917,142.00</u>
	\$ 71,030.00	\$ 1,071,516.00

Note 9 - Reserves/Designations on Retained Earnings/Fund Balances

	<u>Enterprise</u>
Retained earnings reserved for debt retirement	\$ 183,089.75

Note 10 - Contributed Capital

Contributed capital currently exists only in the Enterprise Fund. This capital has been used along with other Village resources to purchase and construct the sewer and water system currently in use within the Village. In order to more accurately reflect the equity remaining in these contributions, depreciation expense on fixed assets acquired by grants, entitlements and shared revenues in closed to contributed capital rather than retained earnings.

Required Supplemental Information

Village of Minden City
Budgetary Comparison Schedule
General Fund
For the Year Ended February 28, 2005

	<u>General Fund</u>				<u>Variance</u>
					<u>Actual</u>
					<u>Compared to</u>
					<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>Increase</u>	<u>Actual</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>		<u>(Unfavorable)</u>
Revenues					
Taxes-Current	\$ 34,500.00	\$ 37,000.00	\$ 2,500.00	\$ 35,281.00	\$ (1,719.00)
State Sources	28,000.00	26,020.00	(1,980.00)	27,164.10	1,144.10
Intergovernmental	23,000.00	27,000.00	4,000.00	28,657.56	1,657.56
Garbage Collections	11,500.00	11,550.00	50.00	16,668.11	5,118.11
Other	4,900.00	7,150.00	2,250.00	7,544.57	394.57
Interest	1,200.00	600.00	(600.00)	670.34	70.34
Total Revenues	<u>103,100.00</u>	<u>109,320.00</u>	<u>6,220.00</u>	<u>115,985.68</u>	<u>6,665.68</u>
Expenditures					
General Government	59,025.00	59,910.00	885.00	56,900.15	3,009.85
Public Works	43,650.00	45,605.00	1,955.00	44,677.15	927.85
Total Expenditures	<u>102,675.00</u>	<u>105,515.00</u>	<u>2,840.00</u>	<u>101,577.30</u>	<u>3,937.70</u>
Excess of Revenues over Expenditures	<u>425.00</u>	<u>3,805.00</u>	<u>3,380.00</u>	<u>14,408.38</u>	<u>10,603.38</u>
Other Financing Sources (Uses)					
Operating Transfers in	0.00	3,000.00	\$ 3,000.00	3,000.00	0.00
Operating Transfers out	0.00	(1,600.00)	\$ (1,600.00)	(1,600.00)	0.00
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>1,400.00</u>	<u>1,400.00</u>	<u>1,400.00</u>	<u>0.00</u>
Excess of Revenues and Other Over(Under)Expenditures and Other Us	<u>\$ 425.00</u>	<u>\$ 5,205.00</u>	<u>4,780.00</u>	<u>15,808.38</u>	<u>\$ 10,603.38</u>
Fund Balance at End of Year				<u>\$ 15,808.38</u>	

The accompanying notes are an integral part of the financial statements.

Additional Supplemental Information

Village of Minden City
Special Revenue Funds
Combined Balance Sheet
February 28, 2005

	<u>Fire</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Building and Equipment Capital</u>	<u>Total</u>
Assets					
Cash in Bank	\$ 19,842.83	\$ 5,364.66	\$ 20,316.66	\$ 5,016.37	\$ 50,540.52
Investments	0.00	20,801.55	15,601.16	5,629.22	42,031.93
Prepaid Insurance	8,531.64	725.40	725.40	0.00	9,982.44
Due from Other Funds	<u>108.00</u>	<u>580.00</u>	<u>392.00</u>	<u>0.00</u>	<u>1,080.00</u>
Total Assets	<u>\$ 28,482.47</u>	<u>\$ 27,471.61</u>	<u>\$ 37,035.22</u>	<u>\$ 10,645.59</u>	<u>\$ 103,634.89</u>
Liabilities and Fund Equity					
Liabilities					
Fund Equity					
Unreserved	<u>28,482.47</u>	<u>27,471.61</u>	<u>37,035.22</u>	<u>10,645.59</u>	<u>103,634.89</u>
Total Liabilities and Fund Equity	<u>\$ 28,482.47</u>	<u>\$ 27,471.61</u>	<u>\$ 37,035.22</u>	<u>\$ 10,645.59</u>	<u>\$ 103,634.89</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Special Revenue Funds Statement of Revenue, Expenses and
Change in Fund Balance - Budget and Actual
For the Year Ended February 28, 2005

	Major Street Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 8,500.00	\$ 8,660.92	\$ 160.92
State Revenue Sharing	16,000.00	16,447.49	447.49
Interest	50.00	184.87	134.87
Miscellaneous	1,500.00	1,531.89	31.89
Total Revenues	<u>26,050.00</u>	<u>26,825.17</u>	<u>775.17</u>
Expenditures			
Administrative	220.00	200.00	20.00
Insurance	1,200.00	1,272.54	(72.54)
Routine Maintenance	10,735.00	10,567.21	167.79
Winter Maintenance	475.00	0.00	475.00
Equipment Rental	8,225.00	8,185.55	39.45
Labor Reimbursement	4,500.00	4,272.00	228.00
Road Signs	175.00	157.44	17.56
Traffic Services	25.00	0.00	25.00
Unemployment Tax	400.00	358.69	41.31
Total Expenditures	<u>25,955.00</u>	<u>25,013.43</u>	<u>941.57</u>
Excess of Revenues Over (Under) Expenditures	<u>95.00</u>	<u>1,811.74</u>	<u>1,716.74</u>
Other Financing Sources (Uses)			
Excess of Revenues and Other Financing			
Over Expenditures and Other Financing Uses	<u>\$ 95.00</u>	<u>1,811.74</u>	<u>\$ 1,716.74</u>
Fund Balance Beginning of Year		<u>25,659.87</u>	
Fund Balance End of Year		<u>\$ 27,471.61</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Special Revenue Funds Statement of Revenue, Expenses and
Change in Fund Balance - Budget and Actual
For the Year Ended February 28, 2005

Local Street Fund

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 2,700.00	\$ 2,788.27	\$ 88.27
Intergovernmental State	14,000.00	14,441.55	441.55
Interest	100.00	226.88	126.88
Total Revenues	<u>16,800.00</u>	<u>17,456.70</u>	<u>656.70</u>
Expenditures			
Administrative	50.00	0.00	50.00
Insurance	1,200.00	1,272.54	(72.54)
Contract Road Building	1,400.00	1,387.75	12.25
Routine Maintenance	8,575.00	8,415.48	159.52
Winter Maintenance	50.00	0.00	50.00
Equipment Rental	2,700.00	2,589.74	110.26
Labor Reimbursement	2,000.00	1,848.00	152.00
Traffic Services	75.00	0.00	75.00
Unemployment Tax	400.00	358.69	41.31
Total Expenditures	<u>16,450.00</u>	<u>15,872.20</u>	<u>577.80</u>
Excess of Revenues Over (Under) Expenditures	350.00	1,584.50	1,234.50
Other Financing Sources (Uses)			
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 350.00</u>	1,584.50	<u>\$ 1,234.50</u>
Fund Balance Beginning of Year		<u>35,450.72</u>	
Fund Balance End of Year		<u>\$ 1,584.50</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Special Revenue Funds Statement of Revenue, Expenses and
Change in Fund Balance - Budget and Actual
For the Year Ended February 28, 2005

	<u>Fire Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 3,500.00	\$ 4,092.52	\$ 592.52
Interest	150.00	175.58	25.58
Loan Proceeds	90,000.00	90,000.00	0.00
Transfer from Minden Township	20,450.00	20,221.73	(228.27)
Total Revenues	114,100.00	114,489.83	389.83
Expenditures			
Grocery, Pop & Etc.	75.00	69.85	5.15
Supplies	25.00	0.00	25.00
Clean/Mileage/Bookkeeping	25.00	23.80	1.20
Legal & Professional Fees	75.00	50.00	25.00
Utilities	3,350.00	3,316.60	33.40
Telepone	350.00	304.80	45.20
Equipment Purchases	1,300.00	1,274.45	25.55
Air Tank Testing	125.00	116.00	9.00
Repairs	3,500.00	3,375.37	124.63
Gas and Oil	475.00	452.15	22.85
Training & Medical	50.00	0.00	50.00
Uniforms/Badge/Licensing	25.00	0.00	25.00
Insurance	13,400.00	12,933.85	466.15
Postage	20.00	18.55	1.45
Banquet	125.00	123.68	1.32
Miscellaneous	550.00	521.50	28.50
Fireman's Quarterly Stipen	600.00	600.00	0.00
Membership Dues	550.00	525.00	25.00
Labor Reimbursement	175.00	156.00	19.00
Capital Outlay	141,000.00	140,100.00	900.00
Equipment Inspection	850.00	821.40	28.60
Total Expenditures	166,645.00	164,783.00	1,862.00
Excess of Revenues Over (Under) Expenditures	(52,545.00)	(50,293.17)	2,251.83
Other Financing Sources (Uses)			
Transfers From Other Funds	48,400.00	51,600.00	3,200.00
Transfers To Other Funds	(19,000.00)	(17,314.17)	1,685.83
Total Other Financing Sources (Uses)	29,400.00	34,285.83	4,885.83
Excess of Revenues and Other Financing Sources			
Over Expenditures and Other Financing Uses	<u>\$ (23,145.00)</u>	<u>(16,007.34)</u>	<u>\$ 7,137.66</u>
Fund Balance Beginning of Year		<u>44,489.81</u>	
Fund Balance End of Year		<u>\$ 28,482.47</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Special Revenue Funds Statement of Revenue, Expenses and
Change in Fund Balance - Budget and Actual
For the Year Ended February 28, 2005

	<u>Building and Equipment Capital Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 1,350.00	\$ 1,393.13	\$ 43.13
Interest	<u>25.00</u>	<u>59.05</u>	<u>34.05</u>
Total Revenues	<u>1,375.00</u>	<u>1,452.18</u>	<u>77.18</u>
Expenditures			
Office Supplies	<u>37.00</u>	<u>36.70</u>	<u>0.30</u>
Total Expenditures	<u>37.00</u>	<u>36.70</u>	<u>0.30</u>
Excess of Revenues over (Under)			
Expenditures	1,338.00	1,415.48	77.48
Other Financing Sources (Uses)			
Excess of Revenues and Other			
Financing Sources Over Expenditures			
And Other Financing Uses	<u>\$ 1,338.00</u>	1,415.48	<u>\$ 77.48</u>
Fund Balance Beginning of Year		<u>9,230.11</u>	
Fund Balance End of Year		<u>\$ 1,415.48</u>	

The accompanying notes are an integral part of the financial statements.

Village of Minden City
General Fund
Schedule of Revenues Actual and Budget
For the Year Ended February 28, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Current Prop Tax Income	\$ 35,281.00	\$ 37,000.00	\$ (1,719.00)
State Sales Tax	27,141.00	26,000.00	1,141.00
Liquor License Income	852.50	750.00	102.50
Rubbish Coll-Fees	16,668.11	11,550.00	5,118.11
Hall Rent Inc A	2,105.00	2,000.00	105.00
Deposits Refund	(800.00)	(600.00)	(200.00)
Interest Income	670.34	600.00	70.34
Misc Income	2,178.39	2,000.00	178.39
Equip Rental Income	15,154.56	14,000.00	1,154.56
Reimbursed labor	13,503.00	13,000.00	503.00
Trans from Pub Improv	3,000.00	3,000.00	0.00
County Magistrate	23.10	20.00	3.10
Donations	3,208.68	3,000.00	208.68
Total Revenues	<u>\$ 118,985.68</u>	<u>\$ 112,320.00</u>	<u>6,665.68</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
General Fund
Schedule of Expenditures Actual and Budget
For the Year Ended February 28, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>
Legislative			
Off Sal-Trustees Exp	\$ 760.00	\$ 2,700.00	\$ 1,940.00
Total Legislative	<u>\$ 760.00</u>	<u>\$ 2,700.00</u>	<u>\$ 1,940.00</u>
General Government			
Off Sal President Exp	\$ 2,745.00	\$ 2,800.00	\$ 55.00
Off Sal Clerk/Assesor Exp	3,120.00	3,200.00	80.00
Off Sal Treasurer Exp	3,320.00	3,350.00	30.00
Election Exp wage	442.00	500.00	58.00
Elect Exp supplies	0.00	25.00	25.00
Mileage Expense	1,079.22	1,100.00	20.78
Supplies-Office Exp	644.46	650.00	5.54
Legal & Prof CPA Exp	3,000.00	3,000.00	0.00
Legal & Prof Attorney Exp	450.00	500.00	50.00
Legal & Prof Misc Exp	0.00	25.00	25.00
Contr Serv Gate Way Exp	11,870.91	12,000.00	129.09
Contract Services Ambulance Exp	0.00	25.00	25.00
Print/Pub Printing Exp	761.00	800.00	39.00
Print/Pub Spec Notice Exp	178.75	200.00	21.25
Print/Pub Legal Exp	0.00	25.00	25.00
Print/Pub Election Exp	262.00	300.00	38.00
Insurance Liab & W/C Exp	173.20	175.00	1.80
Insurance Par Plan Renewal Exp	14,472.11	14,500.00	27.89
Bonds Exp	2,624.00	2,700.00	76.00
Util Hall Consumers	906.17	1,000.00	93.83
Util Hall Gte North Exp	0.00	25.00	25.00
Util Gvt Bldg Dte Exp	800.46	825.00	24.54
Util Gvt Bldg Gte Exp	731.72	750.00	18.28
Vlg Hall Mnt Supplies Exp	263.84	275.00	11.16
Vlg Hall Rep/Maint Exp	1,084.81	1,100.00	15.19
Taxes Payroll Fica Exp	2,694.71	2,700.00	5.29
Taxes Fed Unemp 940 Exp	0.00	10.00	10.00
Miscellaneous Exp	4,515.79	4,600.00	84.21
Prop Tax Expense	0.00	25.00	25.00
Reimbursement for supplies Exp	0.00	25.00	25.00
Total General Government	<u>\$ 56,140.15</u>	<u>\$ 57,210.00</u>	<u>1,069.85</u>
Public Works			
Contr Serv Pub Safety	\$ 2,128.00	\$ 2,200.00	\$ 72.00
Park Mnt Supplies Exp	197.09	200.00	2.91
Park Mnt Repairs Exp	3,831.06	3,900.00	68.94
Park Maintenance Miscellaneous Exp	151.50	200.00	48.50
Park Maintenance Labor Exp	0.00	25.00	25.00
Contract Services Exp	0.00	25.00	25.00
Util Dte Ball Park Exp	677.73	700.00	22.27
Util Dte Streets Exp	6,183.90	6,200.00	16.10
Util Dte Dpw Exp	103.77	120.00	16.23
Util Dte Storage Exp	287.94	300.00	12.06
Util Det.Ed. Wht Stq Bldg Exp	0.00	10.00	10.00
Rep & Mnt Supplies Exp	2,168.94	2,200.00	31.06
Rep & Mnt Gas/Oil Exp	1,332.72	1,400.00	67.28
Repairs & Maint Labor Exp	26,025.85	26,500.00	474.15
Rep & Mnt Repair Exp	1,588.65	1,600.00	11.35
Miscellaneous Expense	0.00	25.00	25.00
Total Public Works	<u>\$ 44,677.15</u>	<u>\$ 45,605.00</u>	<u>927.85</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
General Fund
Schedule of Expenditures Actual and Budget
For the Year Ended February 28, 2005

	<u>Actual</u>		<u>Budget</u>		<u>Favorable (Unfavorable)</u>
Capital Outlay	0.00		0.00		0.00
 Total Expenditures	 <u>\$ 101,577.30</u>		 <u>\$ 105,515.00</u>		 <u>\$ 3,937.70</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Agency Fund
Statement of Changes in Assets and Liabilities
February 28, 2005

	<u>Balance</u> <u>Beginning of Year</u>	<u>Additons</u>	<u>Deductions</u>	<u>Balance</u> <u>End of Year</u>
Assets				
Cash	<u>\$ 536.02</u>	<u>43,200.76</u>	<u>43,200.76</u>	<u>\$ 536.02</u>
Liabilities				
Due to General Fund	536.02	37,624.21	37,624.21	536.02
Due to Major Street	0.00	2,788.28	2,788.28	0.00
Due to Local Street	<u>0.00</u>	<u>2,788.27</u>	<u>2,788.27</u>	<u>0.00</u>
	<u>\$ 536.02</u>	<u>\$ 43,200.76</u>	<u>\$ 43,200.76</u>	<u>\$ 536.02</u>

The accompanying notes are an integral part of the financial statements.

Village of Minden City
Water Fund
Schedule of Revenue Refunding Bonded Debt
Dated December 4, 1996
February 28, 2005

Payment			Interest	
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Amount</u>	<u>Total</u>
06/01/05	6,000.00	5.9%	1,799.50	7,799.50
12/01/05	6,000.00	5.9%	1,622.50	7,622.50
06/01/06	6,000.00	5.9%	1,445.50	7,445.50
12/01/06	6,000.00	5.9%	1,268.50	7,268.50
06/01/07	6,000.00	5.9%	1,091.50	7,091.50
12/01/07	6,000.00	5.9%	914.50	6,914.50
06/01/08	6,000.00	5.9%	737.50	6,737.50
12/01/08	6,000.00	5.9%	560.50	6,560.50
06/01/09	6,000.00	5.9%	383.50	6,383.50
12/01/09	<u>7,000.00</u>	5.9%	<u>206.50</u>	<u>7,206.50</u>
	\$ 61,000.00		\$ 10,030.00	\$ 71,030.00

Village of Minden City
Schedule of Sanitary Sewer System Revenue Bonds
Dated March 5, 1998
February 28, 2005

Payment Date	Principal	Interest		Total
		Rate	Amount	
05/01/05		4.5%	\$ 12,060	12,060
11/01/05	\$7,000	4.5%	12,060	19,060
05/01/06		4.5%	11,903	11,903
11/01/06	7,000	4.5%	11,903	18,903
05/01/07		4.5%	11,745	11,745
11/01/07	7,000	4.5%	11,745	18,745
05/01/08		4.5%	11,588	11,588
11/01/08	8,000	4.5%	11,588	19,588
05/01/09		4.5%	11,408	11,408
11/01/09	8,000	4.5%	11,408	19,408
05/01/10		4.5%	11,228	11,228
11/01/10	8,000	4.5%	11,228	19,228
05/01/11		4.5%	11,048	11,048
11/01/11	9,000	4.5%	11,048	20,048
05/01/12		4.5%	10,845	10,845
11/01/12	9,000	4.5%	10,845	19,845
05/01/13		4.5%	10,643	10,643
11/01/13	9,000	4.5%	10,643	19,643
05/01/14		4.5%	10,440	10,440
11/01/14	10,000	4.5%	10,440	20,440
05/01/15		4.5%	10,215	10,215
11/01/15	10,000	4.5%	10,215	20,215
05/01/16		4.5%	9,990	9,990
11/01/16	11,000	4.5%	9,990	20,990
05/01/17		4.5%	9,743	9,743
11/01/17	11,000	4.5%	9,743	20,743
05/01/18		4.5%	9,495	9,495
11/01/18	12,000	4.5%	9,495	21,495
05/01/19		4.5%	9,225	9,225
11/01/19	12,000	4.5%	9,225	21,225
05/01/20		4.5%	8,955	8,955
11/01/20	13,000	4.5%	8,955	21,955
05/01/21		4.5%	8,663	8,663
11/01/21	13,000	4.5%	8,663	21,663
05/01/22		4.5%	8,370	8,370
11/01/22	14,000	4.5%	8,370	22,370
05/01/23		4.5%	8,055	8,055
11/01/23	15,000	4.5%	8,055	23,055
05/01/24		4.5%	7,718	7,718
11/01/24	15,000	4.5%	7,718	22,718
05/01/25		4.5%	7,380	7,380
11/01/25	16,000	4.5%	7,380	23,380

Village of Minden City
Schedule of Sanitary Sewer System Revenue Bonds
Dated March 5, 1998
February 28, 2005
(continued)

Payment Date	Principal	Interest		Total
		Rate	Amount	
05/01/26		4.5%	7,020	7,020
11/01/26	17,000	4.5%	7,020	24,020
05/01/27		4.5%	6,638	6,638
11/01/27	17,000	4.5%	6,638	23,638
05/01/28		4.5%	6,255	6,255
11/01/28	18,000	4.5%	6,255	24,255
05/01/29		4.5%	5,850	5,850
11/01/29	19,000	4.5%	5,850	24,850
05/01/30		4.5%	5,423	5,423
11/01/30	20,000	4.5%	5,423	25,423
05/01/31		4.5%	4,973	4,973
11/01/31	21,000	4.5%	4,973	25,973
05/01/32		4.5%	4,500	4,500
11/01/32	22,000	4.5%	4,500	26,500
05/01/33		4.5%	4,005	4,005
11/01/33	23,000	4.5%	4,005	27,005
05/01/34		4.5%	3,488	3,488
11/01/34	24,000	4.5%	3,488	27,488
05/01/35		4.5%	2,948	2,948
11/01/35	25,000	4.5%	2,948	27,948
05/01/36		4.5%	2,385	2,385
11/01/36	26,000	4.5%	2,385	28,385
05/01/37		4.5%	1,800	1,800
11/01/37	27,000	4.5%	1,800	28,800
05/01/38		4.5%	1,193	1,193
11/01/38	28,000	4.5%	1,193	29,193
05/01/39		4.5%	563	563
11/01/39	25,000	4.5%	563	25,563
	<u>\$ 536,000</u>		<u>\$ 535,516</u>	<u>\$ 1,071,516</u>